

## Message Text

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POUCHED TO ALL CONSULS IN CANADA

E.O. 11652: N/A

TAGS: EFIN, SCUL, CA

SUBJECT: CANADIAN CONTENT ASPECTS OF TIME-  
READER'S DIGEST TAX CHANGES

REF: OTTAWA 0644

FOLLOWING IS TEXT OF QUESTION PERIOD EXCHANGE IN HOUSE  
OF COMMONS FE. 24, 1975:

QUOTE. RULES GOVERNING CANADIAN ISSUE OF A PERIODICAL.  
MR. R. GORDON L. FAIRWEATHER (PROGRESSIVE CONSERVATIVE):  
MR. SPEAKER, MAY I ADDRESS MY QUESTION TO THE MINISTER OF  
NATIONAL REVENUE. IT HAS TO DO WITH THE CONTENT RULES  
FOR CANADIAN MAGAZINES. IF I MAY EDITORIALIZE, IS SHOULD  
THINK THAT STATEMENT WAS SO IMPORTANT THAT IT OUGHT TO  
HAVE BEEN MADE IN THIS HOUSE. HAVING SAID THAT, LET ME  
ASK THIS: WHAT IS THE BASIS FOR THE PERCENTAGES  
ANNOUNCED BY THE MINISTER? IS THAT DECISION SUPPORTED BY  
ORDER IN COUNCIL. WHAT REGULATION GAVE THE MINISTER  
THE AUTHORITY TO BRING IN THOSE PERCENTAGES? WHAT  
IS THE JURISPRUDENCE BEHIND THE DECISION.

HON. RON BASFORD (MINISTER OF NATIONAL REVENUE); MR.  
SPEAKER, WE ENDEAVOUR TO AVOID GIVING LEGAL OPINION

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IN THE HOUSE AND THE QUESTION WHICH THE HON. MEMBER

ASKED IS IMPORTANT. THE NEWS REPORTS TO WHICH HE REFERRED ARE ABOUT STATEMENTS I MADE RELATING TO THE GENERAL ADMINISTRATIVE ADVICE THAT INCOME TAX AUTHORITIES HAVE GIVEN TO THOSE WHO INQUIRED AS TO THE MEANING OF "SUBSTANTIALLY THE SAME", AS USED IN REFERENCE TO A CANADIAN ISSUE OF A PERIODICAL, AS REFERRED TO IN SECTION 19(5) (F) OF THE INCOME TAX ACT.

I EMPHASIZE THAT EACH PERIODICAL MENTIONED IN THAT SECTION MUST BE JUDGED ON ITS MERITS. THAT IS THE KIND OF ADVICE THE ADMINISTRATORS HAVE BEEN GIVING SINCE 1965, WHEN THAT SECTION WAS FIRST WRITTEN. I MIGHT UNDERLINE ALSO, IN VIEW OF THE WORDS USED BY THE HON. MEMBER, THAT THAT SECTION, AS I AM ADVISED, DOES NOT SPEAK OF CANADIAN CONTENT AND MAKES NO REFERENCE TO THE WORD "CONTENT".

POSSIBLE APPLICATION OF NEW PROVISIONS TO NEWSPAPERS OWNED BY BRITISH INTERESTS.

MR. GORDON TOWERS (PROGRESSIVE CONSERVATIVE): MR. SPEAKER, MAY I DIRECT A SUPPLEMENTARY QUESTION TO THE MINISTER OF NATIONAL REVENUE. IN VIEW OF THE STATEMENT THE MINISTER MADE ABOUT PROPOSED LEGISLATION AFFECTING TIME AND READER'S DIGEST, IS IT CORRECT TO ASSUME THAT THIS LEGISLATION WILL NOT APPLY TO THE FOUR WESTERN CANADIAN NEWSPAPERS OWNED BY INTERESTS IN LIVERPOOL, RUN WITH CANADIAN MANAGERS AND EDITORS AND PUBLISHED BY CANADIANS FOR THE BENEFIT OF ALL CANADIANS; AND IS IT ALSO CORRECT TO ASSUME THAT, AS FAR AS THEY ARE CONCERNED, "IT WILL BE BUSINESS AS USUAL".

HON. RON BASFORD: MR. SPEAKER, MY STATEMENT ON FRIDAY, AND THE STATEMENTS WHICH HAVE BEEN REFERRED TO RELATED TO INTERPRETATIONS WHICH HAD BEEN MADE AS TO THE SECTION AS NOW WRITTEN, NOT AS TO ANY PROPOSED LEGISLATIVE CHANGES THAT MY COLLEAGUE, THE SECRETARY OF STATE, WILL BE INTRODUCING. THEREFORE, IN THAT SENSE, THE QUESTION IS HYPOTHETICAL. I UNDERSTAND THAT THERE HAVE BEEN DISCUSSION BETWEEN THOSE FOUR WESTERN NEWSPAPERS OF WHICH THE HON. MEMBER SPOKE, AND OFFICERS OF MY DEPARTMENT, TO SEE WHETHER THEY CAN COMPLY WITH EXISTING LEGISLATION OR POSSIBLE PROPOSED LEGISLATION. END TEXT.

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